

(323) 881-2401

July 22, 2002

TO: EACH SUPERVISOR

FROM: P. MICHAEL FREEMAN

**HEALTH HAZARDOUS MATERIALS
DIVISION (HHMD) FEES FOR FISCAL YEAR 2002-03**

The purpose of this memorandum is to inform you of the annual fee adjustments for businesses that handles hazardous materials/waste as administered by the Fire Department's Unified Program Agency.

Background

The Department charges fees to these businesses based on the size of the business and the amount of hazardous materials. In 2000, your Board approved a standard methodology for the calculation of these fees for the various businesses impacted. This methodology allows the Department to adjust these fees annually without formal Board approval as long as the approved methodology is used.

2002-03 Fees

The 2002-03 fees have been established using the approved methodology and annual costs in the Department's 2002-03 Adopted Budget. As detailed in the attached briefing sheet, HHMD costs have risen 3.88% over last year, and the fees have been adjusted to reflect the higher costs. Fee increases range from 2.17% to 7.33% based on the established methodology, with larger firms paying a higher proportional fee than smaller firms. The proposed fees have been reviewed and approved by the Auditor-Controller and County Counsel.

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Fee Implementation

The 2002-03 fees will be billed out by the Fire Department in Spring, 2003. In accordance with previous Board action, no formal approval is required by your Board, and we will implement these fees with the billing next year.

We will be scheduling meetings with your Deputies during August to discuss this issue with each of your offices in detail.

PMF:at

Attachment

c: David E. Janssen
Louisa Ollague
Randi Tahara
Joseph Charney
Matt Knabe
Jennifer Weston Plaisted

bc: Freeman; Webber; Burciaga; Jones; Vaughan; Uroff; Ralston; File

FY 2002-2003 HHMD FEES
Board of Supervisors Briefing Sheet
July 11, 2002

PURPOSE:

- Adjust HHMD annual program fees to reflect changes in program costs and projected inventories.
- Revised fees in accordance with existing ordinance and approved by the Auditor-Controller.
- Establish FY 2002-03 annual fees to be billed by LA City and Santa Monica.

BACKGROUND:

- HHMD program costs have increased as a result of staffing costs included in the FY 2002-03 budget.
- County fee ordinances allow annual adjustments in HM and HW programs annual permit fees and hourly cost recovery charges to fully recover program costs.
- A spreadsheet model, developed by Department staff and approved by the Auditor-Controller, is used to project program costs and calculate annual fees and hourly cost recovery rates to recover these costs.
- Hazardous Materials fee methodology was revised last year.
- Hazardous Waste Generator fees have remained the same for two fiscal years.

PROGRAM COST CHANGES:

- Changes reflect approved increases in salary and employee benefit costs, and additional staff in HHMD.
- Overall HHMD costs have increased 3.88% over the previous year.

PROPOSED FEES FOR FY 2002-03:

Item	Inventory	FY 01-02	FY 02-03	Percent Change
Overall HHMD Costs	N/A	11,899,898	12,361,627	3.88%
Hazardous Waste Program Annual Fees				
Silver Only Generators	668	\$182	\$190	4.62%
0-5 Employees	9,424	\$364	\$381	4.62%
6-19 Employees	3,432	\$502	\$531	5.70%
20-100 Employees	2,512	\$706	\$753	6.66%
101-500 Employees	814	\$1,029	\$1,104	7.33%
501+ Employees	127	\$1,725	\$1,850	7.23%
Hazardous Materials Program Annual Fees				
Small Quantity Handlers	278	\$140	\$144	3.07%
Minor Handlers	4,787	\$208	\$214	2.80%
Moderate Handlers	2,360	\$271	\$279	2.91%
Major Handlers	1,681	\$380	\$390	2.72%
Major-Large Handlers	318	\$529	\$542	2.54%
Major-Complex Handlers	174	\$868	\$887	2.17%
Hourly Cost Recovery Hourly Rates				
Emergency Response	N/A	\$89	\$85	-4.5%
Site Mitigation	N/A	\$92	\$96	4.35%
CalARP	N/A	\$96	\$96	No Change

OUTREACH:

- Inserts will be included with billings to explain new fees and answer frequently asked questions.
- FMD/HHMD phone numbers will be provided to answer questions.